

7-1-705 Approval required for certain transactions -- Application -- Grounds for disapproval.

- (1) Except as provided in Subsection (5), an applicant for authorization to engage in any of the transactions described in Sections 7-1-702 and 7-1-703 shall file with the commissioner:
 - (a) an application in a form prescribed by the commissioner;
 - (b) the fee prescribed for the transaction by the commissioner;
 - (c) other information that is required by rule, or that the commissioner considers necessary to make the findings required by Subsection (3); and
 - (d) if the applicant is not a Utah resident, a Utah corporation, or an out-of-state corporation qualified to do business in this state, a written consent to service of process on a resident of this state in any action or suit arising out of or connected with the proposed action.
- (2)
 - (a) Within 60 days of acceptance of the application as complete, the commissioner shall respond to the application by writing the commissioner's findings of fact, conclusions, and order.
 - (b) The commissioner may approve an application subject to the terms and conditions the commissioner considers necessary to protect the public interest and carry out the purposes of this title.
 - (c) The commissioner may defer acceptance of the application as complete until the applicant has provided any information the commissioner considers necessary to decide whether to approve or deny the application.
- (3) The commissioner may disapprove any application filed under this section if the commissioner finds that:
 - (a) the proposed transaction would be detrimental to the safety and soundness of the applicant, to any institution that is a party to the transaction, or to a subsidiary or affiliate of that institution;
 - (b) the applicant, its executive officers, directors, or principal stockholders have not established a record of sound performance, efficient management, financial responsibility, and integrity so that it would be against the interest of the depositors, other customers, creditors, or shareholders of an institution, or the public to authorize the proposed transaction;
 - (c) the financial condition of the applicant or any other institution that is a participant in the proposed transaction might jeopardize the financial stability of the applicant or other institution, or prejudice the interests of depositors or other customers of the applicant or other institutions;
 - (d) the consummation of the proposed transaction will tend to substantially lessen competition, unless the commissioner finds that the anticompetitive effects of the proposed transaction are clearly outweighed by the benefit of meeting the convenience and needs of the relevant market area to be served;
 - (e) the applicant has not established a record of meeting the credit needs of the communities that it or its subsidiary depository institution serves; or
 - (f) in the case of an interstate transaction, the applicant fails to obtain any required approval from a federal or state agency with regulatory authority over any of the institutions participating in the transaction.
- (4) In the case of an interstate transaction, the commissioner may accept an application in the form and manner prescribed by the state or federal agency that primarily regulates the applicant, supplemented as necessary to enable the commissioner to decide whether to approve or deny the application.
- (5)
 - (a) The following branching activities, if they do not involve a merger or acquisition, are not subject to the requirements of this section, but are subject to Section 7-1-708:

- (i) the establishment of a branch in Utah or another state by an out-of-state depository institution with a previously established branch in Utah; and
 - (ii) the establishment of a branch in another state by a Utah depository institution.
- (b) Other interstate branching activities are subject to the requirements of both this section and Section 7-1-708.

Amended by Chapter 49, 1995 General Session